

COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE  
FIRST SET OF INFORMATION REQUESTS FROM D.T.E.  
D.T.E. 02-75

Date: April 2, 2003

Witness Responsible: William Gresham

DTE 1-27: Regarding interruptible transportation and interruptible sales, please:

- (a) provide a Table with the annual number of interruptible customers and annual interruptible sales and transportation for the historical period 1998-2002;
- (b) discuss how the Company forecasts the number of interruptible customers and the interruptible sales and interruptible transportation;
- (c) provide a Table with the annual number of interruptible customers and annual interruptible sales and transportation for the forecast period 2002-2007; Please, provide a measure of reliability of the forecast;
- (d) indicate whether the Total Throughput Forecast Tables (see Schedules BSG-III-4, III-5, III-6 of the Company's filing) include the interruptible sales and transportation. If yes, please explain why. If no, please explain why not;
- (e) indicate whether Do the Total Customer Forecast Tables (see Schedules BSG-III-7, III-8, III- 9 of the Company's filing) include the number of interruptible customers.

RESPONSE:

- (a) Please see Attachment DTE-1-27(a)
- (b) Bay State currently has no interruptible transportation customers. Interruptible sales are difficult to quantitatively forecast. This is due to the high price elasticity of this service, difficulty in projecting gas prices relative to competing fuel prices, unplanned maintenance, and uncertainty regarding weather. Therefore, these interruptible sales are qualitatively forecasted. The Company reviews all interruptible customer's historical use. On a semi-annual basis, these customers are contacted by Bay State and asked if they expect to alter their consumption. These projections are then placed into the SENDOUT model. Daily interruptible sales are derived by allocating monthly demand evenly over each day within each month. Bay State assumes there will be no interruptible service from December through February but may provide this service on an emergency basis if

- (c) requested, and if such service does not compromise Bay State's ability and costs to serve its firm customers.
- (d) Bay State's interruptible sales forecast is shown in Table BSG 1-27(c) below. Bay State does not forecast interruptible transportation. In addition, Bay State has not historically tracked the reliability of its interruptible forecasts. This is due, in part, to the lack of availability of interruptible service during the winter, which is the focal point of Bay State's planning process. In addition, as shown in Schedule BSG-IV-4, even during the summer months interruptible sales account for only 7.3% of total sales requirements.

**Table BSG 1-27(c)**

Year	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007
Inter. Sales	1,330,617	1,132,000	1,132,000	1,132,000	1,132,000

The sales forecast above reflects the current, 2002, number of customers presented on Attachment 1-27(c) of 60.

- (e) The Total Throughput Forecast Tables do not include interruptible sales. Schedules BSG III-4, III-5 and II-6 reflect the results of the quantitative analysis. As mentioned in the response to DTE 1-27(b) above, Bay State does not utilize quantitative methods for forecasting interruptible sales. In addition, as mentioned in the response to DTE 1-27(c) above, interruptible sales comprise a small portion of Bay State's demand requirements, are not a part of Bay State's planning process.
- (f) The Total Customer Forecast Tables do not include interruptible customers.